

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of

Proposal to Revise)	DA 02-2732
Multichannel Multipoint)	
Distribution Service and the)	
Instructional Television Fixed)	
Service Rules)	RM-10586

To the Commission:

REPLY COMMENTS OF NUCENTRIX BROADBAND NETWORKS, INC.

Nucentrix Broadband Networks, Inc. (“Nucentrix” or the “Company”) hereby submits its consolidated reply to the comments submitted in response to the Commission’s public notice in the above-captioned proceeding.

As Nucentrix advised the Commission in its initial comments, it strongly supports the proposal submitted on October 7, 2002, by the Wireless Communications Association International, Inc. (“WCA”), the National ITFS Association (“NIA”) and Catholic Television Network (“CTN”)(the “Industry Proposal”). As Nucentrix noted, “[a] nationwide bandplan, flexible service rules and other revisions proposed by the MDS/ITFS coalition are critical to providing vendors, service providers and capital markets with a stable regulatory framework that will encourage investment and allow services in the 2.5 GHz band to flourish in competition with other broadband providers.” Nucentrix Comments, at 2. Thus, Nucentrix is pleased that the overwhelming majority of the comments submitted by wireless system operators, MDS and ITFS licensees, equipment vendors and consultants embrace the Industry Proposal.

Of course, there are a few who have submitted comments that, while generally applauding the Industry Proposal, express concerns regarding specific components of the approach advocated by WCA, NIA and CTN. Nucentrix has had an opportunity to review the

reply comments that WCA, NIA and CTN are filing today, and endorses the views they are expressing. However, Nucentrix is filing these comments separately to underscore the arguments WCA, NIA and CTN advance against extending the MVPD “opt-out” provision to all video operators, no matter how small.

Nucentrix has a substantial stake in this debate, as it currently operates more rural wireless cable systems than all of the other commenting parties combined. Nucentrix does not expect that any of its rural wireless cable systems would be eligible to “opt-out” of a transition under the Industry Proposal. Nonetheless, Nucentrix supports the Industry Proposal because, as is a matter of record in this proceeding, rules that allow licensees in a given market to continue operation of high-power, high-site video distribution systems will effectively preclude the deployment of two-way cellular systems far outside the service areas of those licensees.

The adverse implications of expanding “opt-out” rights to even those video systems that serve less than five percent of the homes in their service areas can be illustrated by examining the impact that Nucentrix could have on deployment of two-way cellular services. Attached as Exhibit 1 is a map on which Nucentrix has plotted each of its wireless cable systems in operation as of September 30, 2002. To illustrate the impact that continued high-power, high-site operation of those systems could have on the deployment of two-way service, Nucentrix has added to the map a contour drawn 100 miles around those systems. This is a highly conservative estimate of the required separation distance between a high-power, high-site wireless cable system and a two-way cellularized system, and in practice larger separation distances will likely be required. Nonetheless, this contour represents a substantial part of the country. The map attached as Exhibit 2 illustrates the large number of major markets (including Chicago, Dallas-Ft. Worth, Indianapolis, Kansas City, Memphis, Milwaukee, Oklahoma City, San Antonio, that are within this contour and thus would likely be adversely impacted were Nucentrix to be

afforded, and then exercise, MVPD “opt-out” rights.

If the MDS and ITFS bands are to emerge as viable spectrum for the delivery of advanced wireless services, it is essential that the Commission adopt a set of rules that provide system operators, licensees, vendors and the capital markets with certainty that the spectrum can be made available on a nationwide basis for advanced wireless services. If two-way cellular operations in the MDS and ITFS bands are precluded in substantial portions of the country by interference from grandfathered small video operations, investment is certain to flow to other bands and the MDS and ITFS bands will be underutilized. Particularly because, as WCA, NIA and CTN point out in their reply comments, small video operators have alternatives available to them, the Commission can and should limit “opt-out” rights to those MVPDs that have five percent or more penetration or have digitized more than seven channels.

Respectfully submitted,

NUCENTRIX BROADBAND NETWORKS, INC.

November 28, 2002

By: /s/ J. Curtis Henderson
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EXHIBIT 1

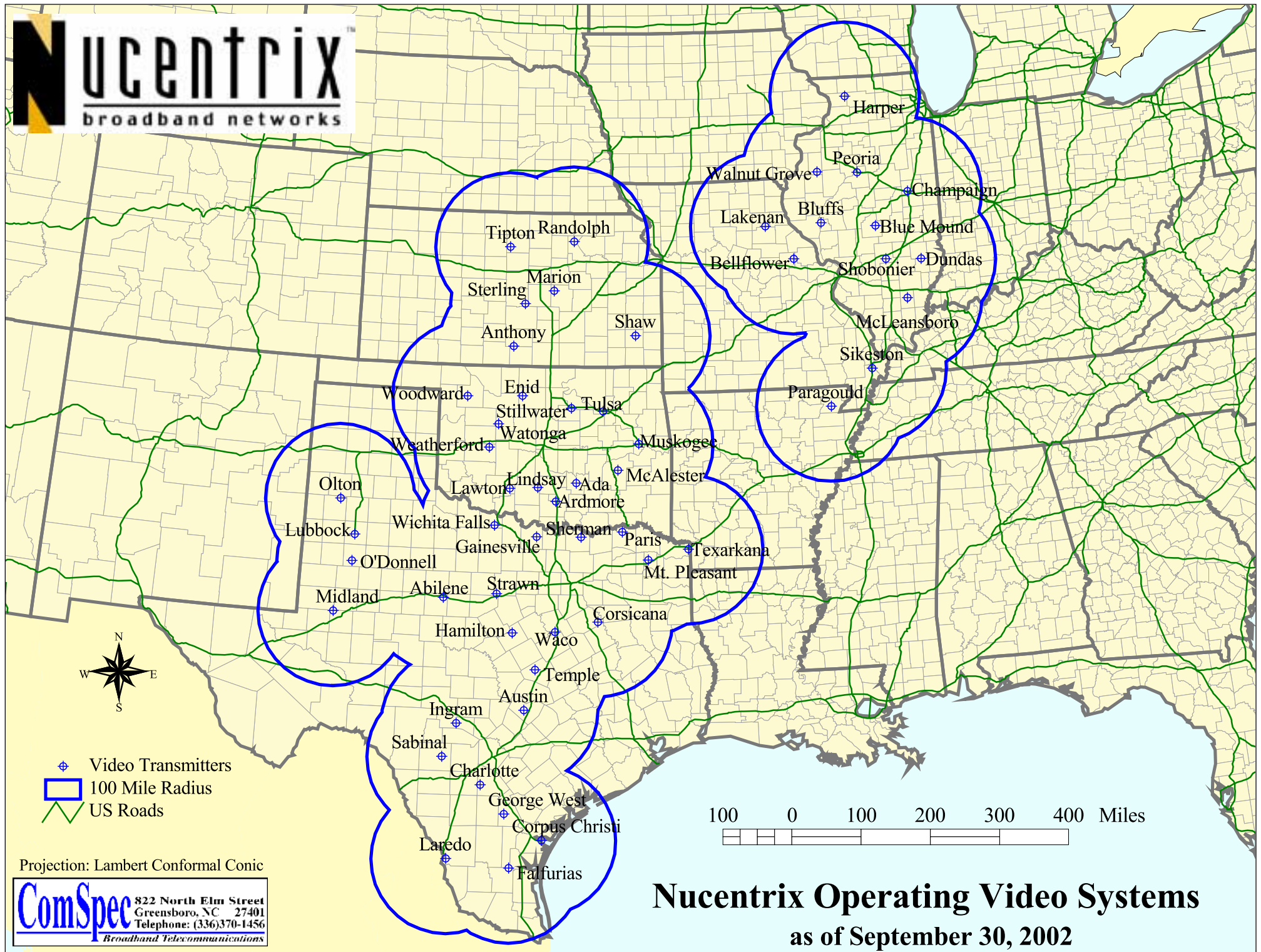
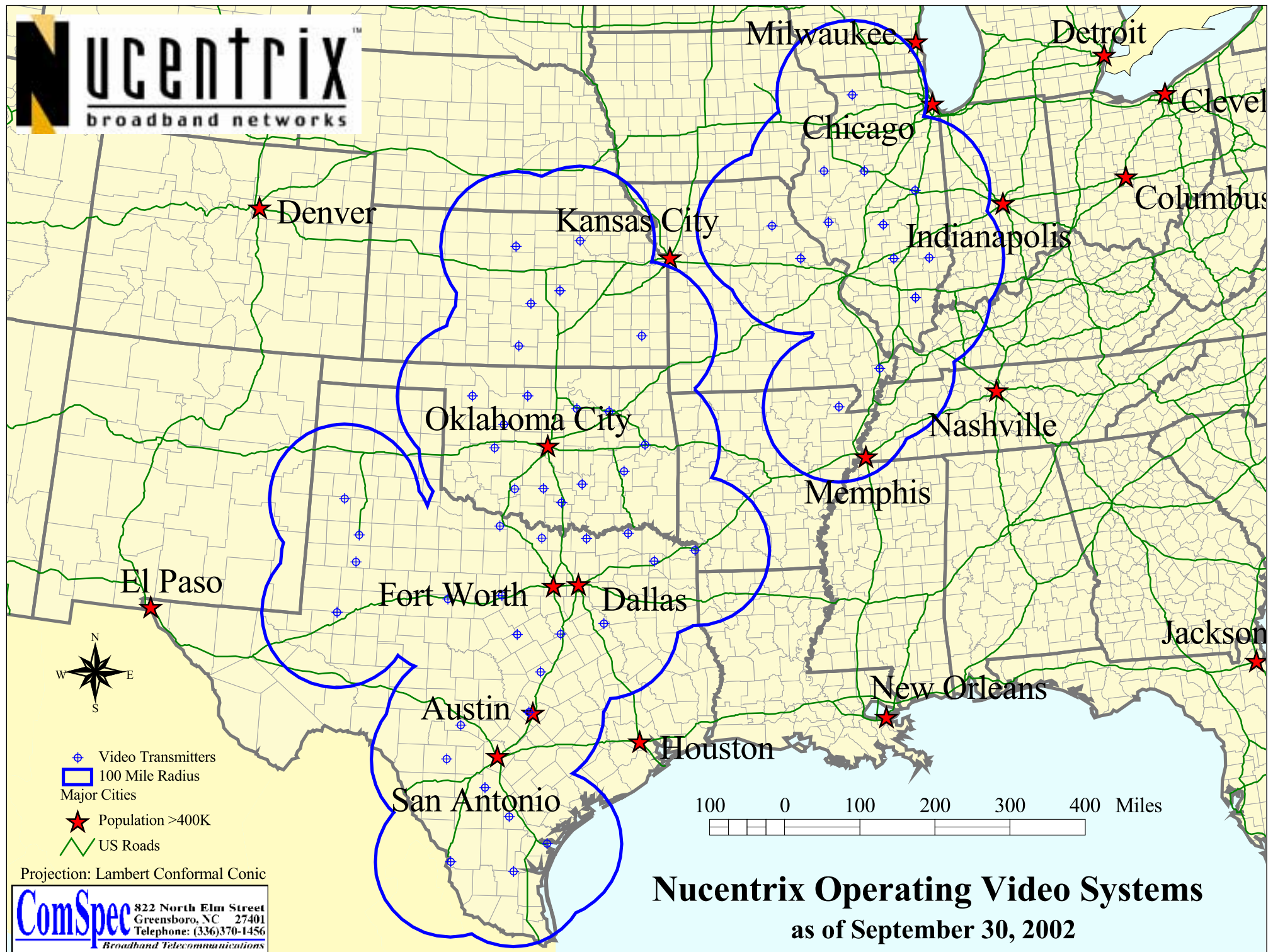


EXHIBIT 2



Projection: Lambert Conformal Conic

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Broadband Telecommunications

Nucentrix Operating Video Systems
as of September 30, 2002